

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6010**

**BILL NUMBER:** SB 26

**NOTE PREPARED:** Apr 22, 2003

**BILL AMENDED:** Mar 31, 2003

**SUBJECT:** Unclaimed Property.

**FIRST AUTHOR:** Sen. Zakas

**FIRST SPONSOR:** Rep. Fry

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill allows the Attorney General to sell unclaimed property at a commercially reasonable public sale. The bill makes the time period for which unclaimed property related to child support is held the same as for other property. The bill makes other changes to the unclaimed property law.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** The changes proposed to the Unclaimed Property Law could provide administrative efficiencies to the Attorney General's office. Any impact on the Office is expected to be minimal.

**Explanation of State Revenues:** (Revised) *Selling of Unidentifiable Unclaimed Property and Disclaimed Property:* This bill allows the Attorney General to sell immediately property that is either valued at less than \$10 or is disclaimed by the property owner. The bill provides that the property or proceeds from the sale of the property will be deposited in the state General Fund. This provision will increase state General Fund revenue by an unspecifiable amount.

***Background Information:*** Intangible property held by businesses or financial institutions is presumed abandoned after a specified period has lapsed since the last owner contact. The period varies depending on the type of property abandoned. For example, a traveler's check is presumed abandoned after 15 years since last owner contact, while a money order is presumed abandoned after seven. After a property is considered abandoned by a firm, it is remitted to the Office of the Attorney General. The Office deposits property, or proceeds from the sale of the property, in the Abandoned Property Fund. A claimant can recover the value of the property for up to 25 years. When the balance of the principal of the Fund exceeds \$500,000, the

Treasurer of State transfers, at least once each year, the excess to the Common School Fund. In FY 2002, \$30.0 M was transferred from the Abandoned Property Fund to the Common School Fund. The balance of the Abandoned Property Fund was \$46.9 M at the close of FY 2002. Interest accrued on property in the Abandoned Property Fund is deposited in the state General Fund.

**Explanation of Local Expenditures:** This bill would impact courts by decreasing the time from ten to five years in which all court held child-support related property or proceeds are presumed abandoned.

Under current law, if the owner or apparent owner has not communicated in writing with the holder (the court in this case) concerning the property or has not otherwise given an indication of interest in the property after ten years for all property related to child support and five years for all other types of property, the court must treat the property or proceeds as unclaimed property to be collected by the Attorney General.

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General.

**Local Agencies Affected:** Trial courts, city and town courts.

**Information Sources:** Jennifer Thuma, Legislative Liaison, Office of the Attorney General, 233-6143.

**Fiscal Analyst:** John Parkey, 317-232-9854